DOCUMENT RESUME

ED 245 028 UD 023 611

AUTHOR Garcia, Philip; Hurtado, Aida
TITLE Joblessness among Hispanic Youth: 1973-1981. Literature Review and Statement of Problem.
INSTITUTION Michigan Univ., Ann Arbor. Inst. for Social Research.
SPONS AGENCY National Council of La Raza, Washington, D.C.
PUB DATE 18 Jan 82
NOTE 51p.; Submitted to the Hispanic Youth Employment Research Center of the National Council of La Raza.
PUB TYPE Statistical Data (110) -- Reports - General (140)

EDRS PRICE MF01/PC03 Plus Postage.
DESCRIPTORS *Black Youth; Comparative Analysis; Dropouts; *Employment Patterns; High School Students; *Hispanic Americans; Secondary Education; *Unemployment; *Whites; *Youth Employment

ABSTRACT

Key indicators of labor market behavior among Hispanic teenagers from 1973 to 1981 and comparisons with White and Black youth are reported in this review. The major observations are: (1) Overall employment rates for Hispanic youth are consistently 12 percentage points less than for White youths, and their unemployment rate is usually six points higher. Thus, unlike Black-White inequalities, the observed Hispanic-White differences did not widen during the study period. (2) Youth rates are quite sensitive to changes in the economy. Therefore, Hispanic-White youth differences expand and contract with the peak-to-trough cycles of the economy; and the two recession periods seem to have precluded any sustained improvement in the absolute level of Hispanic youth employment. (3) The problem of underemployment of Hispanic youth, as in the case of Blacks, is very much a problem of out-of-the-labor-force teenagers. Consequently, unemployment rates alone often understate the breadth of their employment problems. (4) Partly because of a positive growth rate and stable labor force participation rates, the proportion of Hispanic youth in the total civilian work force has remained constant. (5) Hispanic workers who also attend high school have much greater employment problems than comparable White workers; Hispanic dropouts fare much better in the labor market than one might expect. (6) Hispanic joblessness appears more problematic for Puerto Rican and for female teens. (Author/CMG)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

Joblessness Among Hispanic Youth:

1973-1981

Literature Review and Statement of Problem

Submitted to the

Hispanic Youth Employment Research Center

ED023611

U.S. DEPARTMENT OF EDUCATION
NATIONAL INSTITUTE OF EDUCATION
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

☑ This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official NIE position or policy.

Literature Review and Statement of Problem

Submitted to the

Hispanic Youth Employment Research Center

Joblessness Among Hispanic Youth: 1973-1981

by

Philip Garcia

with Aida Hurtado

January 18, 1982

The Institute for Social Research

The University of Michigan

426 Thompson Street

Ann Arbor, Michigan 48106

PREFACE

In the past decade, there have been a number of improvements in the manner in which governmental agencies collect and report unemployment information on persons of Hispanic origin. Unfortunately, the resultant data have not always been met by research programs directed at their detailed description or analysis. Unresolved problems in data gathering no doubt continue to hamper some areas of investigation, particularly efforts aimed at smaller segments of the population, like teenage workers. As a result, there is really not much material available which specifically refers to Hispanic youth and unemployment or job turnover. Thus if confronted with the task of having to provide a "literature review," one is placed in the peculiar circumstance of either citing a few descriptive comparisons or documenting any number of relevant analyses which lack references to Hispanic teens. Our belief is that neither of these approaches helps convey the scope of employment problems affecting Hispanic youths.

The analysis presented within this paper represents an alternative response to a traditional literature review. It is a broad summary of the available Hispanic youth data. Special attention is given to comparisons with other youth groups and contrasts across time. We believe that our method and findings remain faithful to the goals of outlining the parameters of the problem, identifying pertinent issues, and providing a foundation for the

interpretation of our subsequent research activities. As such, the entire document represents our "statement of the problem" and "literature review."

TABLE OF CONTENTS

PREFACE ii

LIST OF TABLES v

LIST OF FIGURES vi

Joblessness among Hispanic youth, 1973-1981 . . 1

Patterns of Employment and Unemployment 3

Impact of business cycle changes 7

Gender and Intra-Hispanic Differences 10

Sources of Variation 14

The Parameters of Jobless Inequalities 19

Summary and Discussion 21

Footnotes 25

LIST OF TABLES

Table		page
1.	Annual Average Employment and Unemployment Rates for Whites, Hispanics, and Blacks by Age: 1973 - 1980	30
2.	Youth Employment and Unemployment Rates for Whites, Hispanics, and Blacks Expressed as Ratios of Their Respective Total Group Rates .	32
3.	Changes in Quarterly Unemployment Rates from Business Cycle Peaks-to-Troughs by Age for Whites, Hispanics, and Blacks: 1973 IV - 1981 I	33
4.	Changes in Quarterly Employment Ratios from Business Cycle Peaks-to-Troughs by Age for Whites, Hispanics, and Blacks: 1973 IV - 1981 I	34
5.	Selected Youth Unemployment Rates for Whites, Hispanics, and Blacks by Sex: 1978 - 1981 . .	35
6.	Selected Civilian Labor Force and Unemployment Rates for Hispanic Youth, 16-19 Years of Age, by Origin: 1978-81	36
7.	Frequencies and Percentages of 16-19 Year Old Youths Not Enrolled in School by Racial/Ethnic Status: October 1972-1979	37
8.	Employment Ratios and Unemployment Rates of Persons 16 to 24 Years Old by School Enrollment and Racial/Ethnic Status: 1975-1980	38
9.	Selected Projections of Hispanic and Black Youth Labor Force under the Assumption that Their Rates of Employment and Unemployment Were the Same as White Youths: 1973 IV - 1981 I . .	39
10.	Selected Projections of Hispanic and Black Youth Labor Force under the Assumption that Their Rates of Employment and Unemployment Were the Same as White Youths Residing in Officially Designated Poverty Areas: 1973 IV - 1981 I . .	40

LIST OF FIGURES

Figure		page
1.	Quarterly Employment Ratios for Total Civilian population by Age and Racial/Ethnic Status: 1973 I - 1981 II	27
2.	Quarterly Unemployment Rates for Total Civilian Labor Force by Age and by Racial/Ethnic Status: 1973 I - 1981 II	28
3.	Seasonal Employment and Unemployment averages by Racial/Ethnic Status and Age: 1973 II - 1981 II	29

Joblessness among Hispanic Youth, 1973-1981

During the last twenty-five years countless publications have identified minority and young workers as major subpopulations with serious labor market problems. And for the last fifteen years a growing segment of this literature has explicitly suggested that Hispanic Americans are among the more economically disadvantaged minority groups. But despite the considerable amount of information generated for these broad categories of workers, some areas still lack adequate coverage. In particular, Hispanic youths have not received much attention as to their current or historical economic status. The absence of this policy-relevant material is especially problematic since teenage unemployment is among the nation's leading domestic concerns.

The intent here is to provide and overview of joblessness among Hispanic teenagers through a summary of the extant statistical information.[1] By surveying recent trends and making comparisons with white and black youth, we address such questions as: How are differences in employment distributed between summer and other seasons? How are cutbacks in employment distributed during times of economic recession? Are there any signs that Hispanic youth rates of joblessness are converging with either of the groups? We also explore the pattern of labor force differences between the various youth groups and their larger populations, as well as other related questions.

The data for this examination are derived from published accounts of the Current Population Survey, principally the quarterly employment figures found within issues of Employment and Earnings. Collection and reporting of the Hispanic portion of these data has been continuous since 1973. Youth are defined as those between 16-19 years of age. The data are slightly anomalous in that the numbers for the three ethnic groups do not sum to either the total employment or unemployment figures. This is because persons of Hispanic are tabulated without regard to race. Thus they include both white and black enumerations. In 1970, 96 percent of the Hispanic population identified as being white.[3] Lastly, military personnel are absent from the data so that all figures reflect only the civilian population.

The measures used are the employment-population (E/P) ratio and the unemployment rate. The former is equal to the quotient of the number employed divided by the civilian noninstitutional population, and the latter is equal to the number of those without work but who are seeking jobs as a percent of the civilian labor force. Changes or inequalities are represented by gross differences obtained from the aggregated figures.

In many ways the contrasts examined simply verify some commonly known facts, like the fact that unemployment rates among blacks and Hispanic teens are several times greater than among the majority population. However, the systematic

investigation of these data helps reveal some subtle Hispanic differences and better places their situation within the lager context of youth unemployment.

Patterns of Employment and Unemployment

It is difficult to state with any precision what the employment status of Hispanic teenagers was prior to 1970. Reports from the 1960 Census show that the unemployment rate in the Southwest among Spanish surnamed teens aged 14-19 years was 15.8 percent, and only about one-in-four of all such teen was employed. 1970 Census data indicate that the jobless rate among Hispanic teens 16-19 years of age was 14.1 percent and that their E/P ratio was 0.31.

In comparison to white teenagers, the Hispanic unemployment rate was 1.3 times greater and their rate of employment was about 10 percentage points less. The differences between the 1960 and 1970 figures may or may not indicate an improved status of Hispanic youth, but it is probably safe to say that the sixties was not an era of marked divergence between Hispanic and white youth. In any case, the data for the 1973-81 period present a more detailed picture.

Figure 1 charts the quarterly E/P ratios of each of the ethnic designations for the reference period. Youth and total rates are provided. To begin, the plots of the youth E/P ratios are all less than their respective total ratios. The higher peaks associated with the youth ratios reflect the traditional summer surge in teenage employment and the

generally greater sensitivity of the youth work force to seasonal changes. Regarding the pattern of ethnic differences, the ordinal ranking is the same at each instance: white E/P ratios exceed those for Hispanics, and the Hispanic ratios exceed those for blacks. And the differences among the youth groups are much larger than those for the group totals.

In many respects the charted ratios for each ethnic-age group follow the same basic pattern. Overall employment fell during the 1973-75 recession period and rose again to about pre-recession levels by the decade's end. However, it is evident that black-white differences in the later years are more pronounced than in the earlier years; and unlike the other groups, black youths show a clear trend of persistent losses in employment.

The unemployment rates for the corresponding dates reveal similar ethnic and youth differences. From Figure 2 we see that youth joblessness within the civilian labor force is more severe than the total level of joblessness, and this is true for each ethnic group. Youth employment rates show a greater sensitivity to changes in seasons and the business cycle. The ordinal differences parallel the pattern for E/P ratios. Whites have the lowest levels of unemployment, blacks have the worst, with Hispanics exhibiting jobless rates somewhere in between. And as before, the most dramatic negative trend is the rising levels of unemployment among black youth.

Not too surprisingly then, the trend in joblessness among Hispanic teens is similar to the general trend among white youths. But the magnitude of the Hispanic-white youth differences are more than nominal and there are no apparent signs that the disparities are narrowing. For example, the Hispanic youth rates for employment are consistently about 12 percentage points less, or in relative terms, about three-fourths the level of white youth employment (see Table 1). The comparable ratio of black-white levels of employment is about one-half. The same ethnic proportions exhibited for those 16 years of age or older are 0.95 for Hispanics and 0.90 for blacks. Looking at unemployment, the Hispanic-white youth differences fluctuate between 6 to 7 percent. But unlike the employment situation, the relative unemployment differences for Hispanic teens are slightly less than for Hispanics 16 and over. Thus there appears to be a definite negative interaction effect associated with youth status and minority group membership in the area of overall employment; but this negative effect only extends to black youth in the area of unemployment within the civilian labor force.

This notion of a negative interaction effect is also demonstrated by the youth-total ratios displayed in Table 2. Though Hispanic and black youth belong to ethnic populations with already less than normative rates of employment, these subgroups have substantially lower youth-total ratios than white youth. But again, this negative pattern only applies

to black teens when examining unemployment. In fact, the values for the Hispanic youth-total ratio in unemployment are the lowest of the three groups. The following tabulation of youth-adult unemployment ratios, where adult is defined as being 20 years of age or older, confirms this observation:

Year and Quarter	White	Hispanic	Black
1973 II. . . .	3.9%	3.4%	4.9%
1975 II. . . .	2.7	2.7	3.3
1978 II. . . .	3.3	2.6	4.1
1979 II. . . .	3.6	2.6	4.1

One definite conclusion then is that the overall unemployment differences displayed by the Hispanic and white data do not appear to be artifacts of selective labor market problems affecting just Hispanic teens. And it may be that Hispanic teens and adults share a larger set of common unemployment problems than other ethnic groups.

Of course, part of the explanation for the anomalously lower youth-adult ratios among Hispanics is related to the much lower absolute unemployment rates for white adults. Because these rates are so much less than any of the comparative rates, contrasting them with other percentages can sometimes lead to a distorted view of real trends. For example, unemployment rates for white adults, in proportional terms, rise more sharply during recessions, and

fall more rapidly during recovery periods. As a consequence, both minority-majority and youth-adult ratios decline during periods of unusually high national unemployment, thereby making it appear that the more marginal groups of workers fare better during hard economic times (notice the above figures for 1975). But a variety of analyses using methods other than simple ratios suggest just the opposite is true: black and teenage workers, both in the aggregate and within key labor market sectors, bear a greater share of the rise in joblessness in recessions.[3] A similar analysis of the Hispanic data suggests they they also suffer disproportionally in employment cutbacks associated with recessions.

Impact of Business Cycle Changes

The available data permit us to calibrate a narrow aspect of what happens to Hispanic youth rates of unemployment during the recession-recovery phases of the business cycle. We can assess the extent to which the increased joblessness accompanying downturns in the economy is unevenly distributed between Hispanic and white youth.

Table 3 contains information on the level and change in the ethnic-age unemployment rates from the onset of the two major recession periods (i.e., peak-to-though) and the one significant recovery phase (trough-to-peak).[4] The proportion used to assess the relative change in rates of unemployment is the incremental ratio. It is obtained by

dividing the percent-point change in unemployment of one group by the corresponding change of the comparative group.

The resultant ratio states the absolute change in relative terms, that is:

$$(Y_{t_2} - Y_{t_1}) / (X_{t_2} - X_{t_1}) = \Delta Y/\Delta X$$

Because this measure is not distorted by large percent-differences which may exist between groups with respect to initial unemployment rates, it is appropriate for calibrating relative differential over time.[8] For example the incremental ratio derived from 1973 IV - 1975 II unemployment figures for all Hispanics and whites shows that, proportional to their share of the labor force, 14 Hispanic labor force participants entered their existing pool of unemployed for every ten that were added to the ranks of unemployed whites:

$$\Delta H/\Delta W = (8.0 - 4.0) / (12.9 - 7.3) = 1.4.$$

Between the first peak-to-trough phase the unemployment rate of Hispanic teens increased by 10.8 percentage points, and the comparable white increase was 5.9 percentage points. Thus the incremental ratio of 1.8 for this phase reflects a pattern in which an additional 18 Hispanic youths joined the ranks of the unemployed for every additional 10 white teenagers. In the second downturn ratio for Hispanics 16 years of age and over also show a pattern of disproportionate increases in unemployment. For 1973 IV - 1975 II, the total losses were less than teen losses, and about equal in the latter downturn phase.

Both Hispanic age-groups left the unemployment roles at a greater rate than their white counterparts during the recovery period. Thus the pattern of joblessness among Hispanics corresponds to typical cyclical behavior. And as such, Hispanics can be characterized as being among the major beneficiaries of a growing economy, and a more frequent victim of its decline.

In contrast to the Hispanic figures, both sets of black rates show less sensitivity to cyclical changes. For the larger age group, blacks exhibit the expected greater losses for each of the peak-to-trough downturns. However, they do not show any evidence for greater employment gains during the recovery phase. Likewise, in the first downturn phase black teens suffered twice as high proportional losses in employment than white youth; but there was no recovery behavior on their part. In fact, the unemployment rate for black teens continued to rise despite the improved employment circumstances between 1975 and 1978. For this period, an additional 6 black teens became unemployed for every 10 white teenagers who gained new employment. And the lower black teen losses accrued by 1981 (0.5) simply reflect a kind of stability in their already exorbitant rates.

The analysis of E/P ratios in Table 4 tells much the same story. Hispanic teen losses in overall employment were very severe during the 1973-75 recession, as they were for each of the minority-age groups. But only the Hispanic groups show cyclically sensitive patterns of change in each

of the succeeding economic phases. In particular, black youths show a steady secular decline in their share of the total employment available, regardless of cyclical developments.

The losses in employment displayed in Table 4 do seem to suggest that substantial job losses are occurring among Hispanic youths during the recession periods. Some have suggested that recession increases in unemployment rates are a result of surges in new job seekers into the labor market, rather than cutbacks in employment (e.g., lay-offs). This is usually stated in reference to female unemployment rates, but youth have also been included in such arguments.[4] Though the negative gross changes in the aggregate employment figures do not directly confirm the presence of significant increases of job losers, they are at odds with the notion of teenagers swelling the work force and distorting the actual ability of the economy to retain employment for those already employed. And in this case, Hispanic youths would appear as likely as any to have been among the job losers in the last two recessions.

Gender and Intra-Hispanic Differences

For many reasons, the preceding analyses would have been enhanced by the use of such basic differentiations as sex or the subgroups that comprise the total Hispanic group. However, it has only been of very recent that these kinds of breakdown categories have been applied to official unemployment data on Hispanic teens. Here we would like to

highlight the available information on male-female and ethnic-origin differences.

Recognition of sex differences are important because the secular trend in female labor force participation has been so divergent from that of males. For the past three decades, the female rate of entry into the work force has steadily increased; and this growth has been present within many subpopulations, including female teens. And two important changes in the unemployment status of female youth have seemingly accompanied the rise in their work force numbers. First, is an upward trend of male-female differences in joblessness. Whereas the level of female youth unemployment was below that of male teens, it is now likely to be on par or slightly above. Second, is the sharper increases in unemployment among black female teens. Of all the groups regularly monitored, this one consistently shows the highest rates of joblessness.

Among the three racial/ethnic youth groups, the current pattern of sex differences with regard to joblessness is somewhat uneven (see Table 5). For white youth, the male and female annual unemployment rates fluctuate in a random manner such that, on the whole, they are about even. On the other hand, both the black and Hispanic females, on the average, show unemployment rates that are between two and three percentage points higher than their male counterparts. As a consequence, minority-to-white unemployment ratios are greater among teenage females.

However, controlling for gender status does not reveal any surprising unemployment difference hidden within the undifferentiated employment figures.

Sex differences, as might be expected, are greater in the area of overall employment. The following percentages are derived by dividing the number of employed female youths by the corresponding number of employed males for each racial/ethnic group.

Year and Quarter	White	Hispanic	Black
1981 III. . . .	83.6%	83.0%	74.7%
1980 III. . . .	84.7	75.1	77.0
1979 III. . . .	87.8	74.8	82.6
1978 III. . . .	87.0	63.6	82.6

From these calculations, it is clear that female teens are less likely to be working than male youths. Moreover, Hispanic teens show the most distinctive patterns of male-female employment. Their differences for these relative figures are more pronounced and, unlike the other groups, appear to be widening. Because the above figures are not standardized by population size, it is difficult to make direct ethnic-sex comparisons. Yet it may well be the case that Hispanic female teens now share the same low levels of employment as black youths. And it could be that the decline of the Hispanic female-male proportions reflects a greater tendency of Hispanic female employment to be retarded by recessionary conditions.

One could easily cite the traditionally lower participation of Hispanic women as probable cause for the above. Yet the fact is that many Hispanic female subgroups now show quite normative labor force participation behavior, despite appreciable differences in education an fertility status. The notable exception is that of Puerto-Rican women. Part of their labor market problem is attributed to the deterioration of the New York City economy in the 1970's, where one-half of the working-age mainland Puerto Ricans reside. And this intra-ethnic difference also seems to apply to Hispanic teenagers.

In his description of employment patterns of Hispanics in 1977, Morris Newman offers the following account which typifies the pattern of intra-Hispanic differences among teens and the peculiar regional situation of Puerto Rican youth.

> Puerto Rican youth... were only half as likely to be employed as were all other Hispanic youngsters. Thus, only 21 percent of the Puerto Rican teens were, on the average, working at any given time in 1977, versus percentages of 38 and 40 among Cuban and Mexican teens, respectively. For all teenagers in the U. S. population, some 46 percent were, on average, working in 1977. The low proportion of employed Puerto Rican teenagers could again be a reflection of the New York City economy, where only 22 percent of all teenagers were working in 1977.'

The figures from Table 6 reveal a similar pattern for the years following 1977. And the annual averages for 1980-81 show the extreme sensitivity of the Puerto Rican rate to recessionary conditions.

Unemployment rates for Cuban youth are still not available on any regular basis because of sampling inadequacies. However, from the civilian labor force rates it does not appear that Cuban youth necessarily occupy a more normative jobless pattern in contrast to the larger Hispanic group. Therefore, although Cubans are usually characterized as being more successfully integrated into the American economy, their youth appear to have employment problems very much like that of other Hispanic teenagers.

Sources of Variation

The list of possible explanations for the inequalities in youth-adult employment or the sometimes divergent developments among the racial/ethnic youth groups is, of course, lengthy. Here, we would like to briefly refer the Hispanic youth situation to a few factors which are a least interrelated with aspects of the observed jobless differences.

The first is the question of population size. Before the onset of the 1975 recession, the United States experienced quite a few years of continual growth in its teenage work force. Between 1960 and 1975, the number of youth workers increased at an annual rate of 3.6 percent.[8] It has been argued that the economy often could not absorb the increasing numbers of youth entrants to the labor force; hence the higher rates in joblessness among teenagers.

In recent years the pattern of change has been somewhat irregular, but declining numbers appear to be the

new trend. For example, in relative terms, 8.3 percent of the second quarter 1981 work force was composed of 16-19 year old workers. The comparable 1975 figure was 9.6 percent. During this period, the number of labor force participants among white and black youth declined by 14 and 18 percent, respectively. Contrary to this pattern, the relative proportion of Hispanic youths to the total labor force has remained unchanged. The different growth rate of Hispanic youth underlies much of this fact. For the entire references period, the Hispanic youth population grew at an annual rate of 7 percent, whereas both the white and black youth populations are now decreasing in actual size.' Therefore it would seem that the issue of an over abundance of teen workers is now most relevant to Hispanics, the group which contributes the least to the total teenage surplus. But, certainly, regional concentration and geographical segregation may intensify the potential relevance of growing numbers of Hispanic youths.

If there is one broad sector of youth that generates particular concerns, it is those who are not enrolled in school, especially high school dropouts. Interest is high because it is from this pool that youths who are neither enrolled in school nor employed are drawn. Repeatedly, employment figures reveal the substandard status of recent dropouts. During the early 1970's, their employment rate was about 10 percentage points higher than recent high school graduates. By 1980, recent dropouts accounted for

almost one-third of all joblessness among young adults who either just graduated from or quit high school.'' The long-standing fear is that this segment is becoming more and more alienated from the work force, particularly within minority communities.

Speaking first only to the issue of enrollment, the number of teens not attending school has been decreasing since the mid-fifties. Today, almost 90 percent of those at ages 16-17 are enrolled in school, as are nearly 45 percent of those at ages 18-19 (see Table 7). The black-white differences have been minimal since the mid-seventies, and the present situation is that blacks currently have normally higher enrollment rates than whites.

Here again, the trend for Hispanics is contrary to the patterns of other youth. Their proportion for those not attending school shows signs of being on the rise, and the current rates for each of the age groups are reminiscent of pre-1960 figures. The critical question is whether employment problems are indeed enrollment specific.

The figures in Table 8 show the E/P ratio and unemployment rate for those at ages 16-24 years by enrollment status. The E/P ratio best reflects the transition processes of leaving school to enter the world of work. The higher ratios are among high school graduates not attending college and lowest among high school enrollees. Within ethnic groups, the unemployment rates are quite similar between those enrolled and not enrolled. However,

college students and high school graduates appear to have fewer problems than high school students or dropouts.

It is clear that at each stage of the transition process, blacks experience greater levels of joblessness. And only blacks show a decline in the overall employment among the ranks of high school dropouts. Hispanics, on the other hand, show signs of employment parity with whites for the college attendance and dropout categories. The unemployment rates between whites and Hispanics are now also very much the same, and Hispanic-white differences are generally lower among those not enrolled. However, one must keep in in mind that unemployment rates do not vary much with students; thus it is difficult to assess whether these latter patterns are indicators of convergence. Probably one of the more reliable conclusions with regard to Hispanics is that high school enrollees and dropouts are very affected by recessionary conditions.

Because a large proportion of all youth attend school, teenage employment is very seasonal; and from the graph in Figure 3, we see that the pattern of variations is very similar among the three youth groups: during the months of April through June employment rises above first quarter levels, between July and September it peaks, and then it falls dramatically during the fourth quarter. Interestingly, only Hispanic youth appear to belong to a larger group which also shows observable seasonal fluctuations. No doubt, offsetting patterns within the

broader age groups cause some concealment of seasonality. But it still could be that case that Hispanics, in general, are more concentrated in activities highly sensitive to seasonal changes (e. g., agriculture and construction work).

The youth seasonal patterns of unemployment are somewhat idiosyncratic, though broadly speaking, first and second quarter rates are high than third and fourth quarter averages. This is somewhat of a new trend. In the past, younger workers tended to experience their highest period of unemployment in the second quarter (or more specifically in June).'' Thus the peak uremployment periods of white and Hispanic youth follow the basic pattern of more mature male workers, while black youth still demonstrate the the traditional second quarter peak in unemployment.

The ranges of seasonal differences in unemployment, are 2.1 and 2.4 percent for white and Hispanic youth; for black teens, the range is four percentage points. These differences vary among the groups in a manner such that ethnic differences are greatest during the third quarter, when the white youth unemployment rate is at its lowest. In all, black youth seem to have unemployment problems regardless of whether seasonal supply demand factors are at work, while white and Hispanic youth show some unemployment patterns which are more in line with the unemployment behavior of adults in the labor force.

The Parameters of Jobless Inequalities

As useful as the employment ratios and unemployment rates are in summarizing the trends in relative differences among the ethnic-age groups, at some point we must return to the actual population estimates so that we do not lose sight as to how many individuals these relative figures represent. For example, between the second quarter of 1974 and the same quarter of 1975 the E/P ratio for Hispanics fell from 0.56 too 0.53, and their unemployment rate rose from 8.1 to 12.2 percent. These negative changes translate to 130,000 fewer Hispanic employed workers and 185,000 more unemployed job seekers over the twelve month period. With this orientation, the goal of the following computations is to calibrate a range of magnitudes for the number of work force changes necessary to achieve greater parity in minority-majority employment statuses among youth.

In Table 9 we consider the hypothetical outcomes from the simplest mathematical assumption: total employment is equal among the three youth groups, and their rates of unemployment within the civilian labor force are also the same. If we multiply the totals for the noninstitutional civilian populations of Hispanic and black youths by the white youth E/P ratio and do the same for the corresponding civilian labor force figures and the white unemployment rate, we can generate the number of employed and unemployed minority youths that could be expected under the assumption of no ethnic differences. And by subtracting the actual

observed levels of employment and unemployment from the expected levels, we can derive estimates of the long-term target population-size of jobless minority youth. And by comparing the sets of expected numbers, we can assign projected weights to the problems of job-turnover and non-participation in the labor force.

From the column of differences for number employed, we see that more than 100,000 Hispanic youths and 500,000 black youths would constitute the maximum policy-group for "targeting" or "trickle-down" activities designed to bring about more equity in the distribution of joblessness among youth. If these expected levels of minority employment had been achieved, the E/P ratios for all youth would be about 10 percent higher; and, of course, the rates of improvement would be even greater in the regional areas with higher concentrations of minority youths. What emerges from contrasting the expected-observed differences in employment with those in unemployment is that remedies in minority job lessness must confront the overrepresentaion of Hispanic and black youth among those not in the labor force. For Hispanics,, unemployment disparities only account for a quarter to a third of the jobless differences with whites. For blacks, unemployment differences account for 25 to 50 percent of the overall problem.

These computed estimates obviously ignore many dynamics of the jobless problem. Therefore, we fully realize that these aggregated base-figures only contribute

the most crude picture of the scope in jobless differentials between minority and majority youths. We can, however, compute another set of estimates which reflect a kind of minimum dimension of the policy goals directed at minority youth. These alternative projections are derived by assuming that Hispanic and black youth have employment statuses in the same proportion as white youth living within low-income communities.[12] These estimates are displayed in Table 10.

Under this latter assumption, the Hispanic and black unemployment targets would include, on the average, 15,000 and 27,000 less youths than the targets from the former assumption. Similarly, the numbers of newly employed Hispanic and black entrants would include 27,000 and 67,000 less youths. Through comparatively less, the expected-observed differentials are still substantial. And it appears that ethnic status more dramatically affects employment changes than poverty environment.

Summary and Discussion

The purpose of this review has been to survey key indicators of labor market behavior among Hispanic teenagers for the last eight years. The major observations are:

1) Hispanic youth rates of overall employment are consistently 12 percentage points less than white youths, and their unemployment rate is usually six points higher. Thus unlike black-white

inequalities, the observed Hispanic-white differences did not widen during the study period.

2) The youth rates are quite sensitive to changes in the state of the economy. Therefore, Hispanic-white youth differences expand and constract with the peak-to-trough cycles of the economy; and the two recession periods seem to have precluded any sustained improvement in the absolute level of Hispanic youth employment.

3) The problem of underemployment of Hispanic youths, like the case of blacks, is very much a problem of out-of-the-labor-force teenagers. Consequently, unemployment rates alone often understate the breath of their employment problems.

4) Partly because of a positive growth rate and stable labor force participation rates, the proportion of Hispanic youths in the total civilian work force has remained constant.

5) Hispanic workers who also attend high school, have much greater employment problems than comparable white workers; and Hispanic drop-outs fare much better in the labor market than one might expect.

6) Hispanic joblessness appears more problematic for Puerto Rican and female teens.

The briefness of the period examined prohibits much extrapolation to future trends. Clearly, there is nothing from data analyzed which strongly suggests that appreciable

Hispanic-white convergence can be immediately expected. But then, signs of greater divergence are also absent, though new recessionary conditions will certainly more adversely affect Hispanic youth.

We cannot help but reflect upon the fact that the present status of Hispanic youth is much like the status of black youth in the early sixties. Their current level of joblessness is certainly severe enough to warrant some special policy interest; and the disheartening fall in black youth employment since the early sixties strongly suggests that there be a greater monitoring of Hispanic youth outcomes in the labor force.

Of course, if long term policies and countercyclical approaches directed at reducing Hispanic joblessness are to have any efficacy, more information is needed than that obtained from frequent monitoring. The determinants of this group's unemployment much be delineated in a more detailed manner. And this is the theme we pursue in our analyses of the National Longitudinal Survey of Youth (NLS).

Our primary objectives is to investigate the determinants of Hispanic youth unemployment through the use of multivariate techniques on data from the NLS, and to use the statistical parameters of these determinants to more precisely explain why, for example, CPS figures show that Hispanic unemployment rates among teens are 5-10 percent higher than for comparable white labor force participant.

To begin with, our research will examine those factors which, in general, often affect the probability of experiencing periods of joblessness. That is, to what extent can the higher rates of Hispanic joblessness be attributed to any unique differences in their distribution by education, labor force experience, industry concentration, regional location and other demographic dimensions? In conjunction with these factors, we will explore if any relationships exists between wage and occupational differentials and higher Hispanic youth employment. And because of the lower level of labor force attachment among younger workers and the many transition processes related to early entries into the labor market, unemployment will be evaluated with regard to both voluntary (quit) and involuntary (lay-off) job turnover. These job separation outcomes are key elements, since the quit rates reflect on worker assessments and lay-off rates capture some aspects of economic conditions. Thus the determinants to be investigated encompass personal-productivity, ecological, and market inequity factors; and unemployment is evaluated within the context of willingness to work.

FOOTNOTES

[1]Three recent articles provide informative summaries on youth employment and the situation of black teenage workers: Norman Bowers, "Young and marginal: an overview of youth employment," Monthly Labor Review 102 (October 1979): pp. 4-18; Morris J. Newman, "The labor market experience of blacks, 1954-78," Monthly Labor Review 102 (October 1979): pp. 19-27; Constance Sorrentino, "Youth unemployment: an international perspective," Monthly Labor Review 104 (July 1981): pp. 3-15.

[2]The black figures refer only to the black population. In 1970, blacks comprised 89 percent of the "black and other" population.

[3]Norman Bowers, "Have employment patterns in recession changed?" Monthly Labor Review 104 (February 1981): pp. 15-28; Barbara C. Job, "The black labor force during the 1975-78 recovery," Monthly Labor Review 102 (May 1979): pp. 3-7.

[4]The percent changes are based on the actual peaks and troughs of the data at hand.

[5]Curtis L. Gilroy, "Black-white unemployment: the dynamics of the differential," Monthly Labor Review 97 (February 1974): pp. 25-32.

[6]See Norman Bowers, "Have employment patterns in recessions changed?" p. 24

[7]Morris J. Newman, "A profile of Hispanics in the U. S. work force," Monthly Labor Review 101 (December 1978), p. 9.

[8]Constance Sorrentino, "Youth unemployment: an internal perspective," p. 10.

[9]Anne McDougall Young, "Labor force activity among students, graduates, and dropouts in 1980," Monthly Labor Review 104 (July 1981): pp. 31-33.

[10]See Anne McDougall Young, "Students, graduates, and dropouts in the labor market, October, 1976," Monthly Labor Review 100 (July 1977), p. 43, and "Labor force activity among students, graduates, and dropouts in 1980." p. 33.

''Joseph M. Bonin and William Y. Davis, Jr. "Estimated seasonal components in recorded unemployment in 1970," Industrial and Labor Relations Review (April 1972), p. 385.

''White youth employment statuses for poverty areas in SMSA's over 250,000 residents are presented in: Sar Levitan and Robert Taggart, The Job Crisis of Black Youth, Praeger: New York, 1971, Table 1, p. 28.

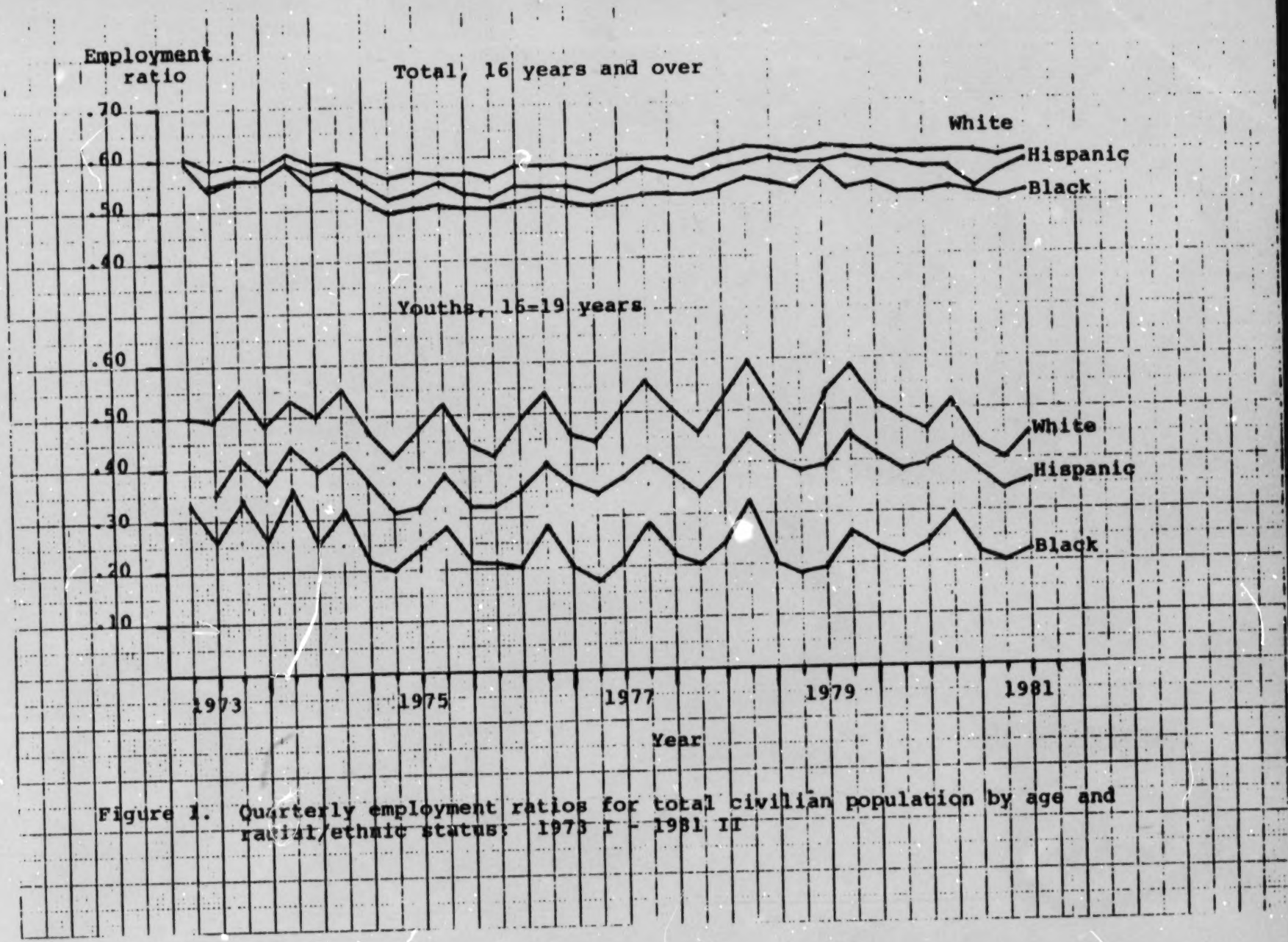

Figure 1. Quarterly employment ratios for total civilian population by age and racial/ethnic status: 1973 I - 1981 II

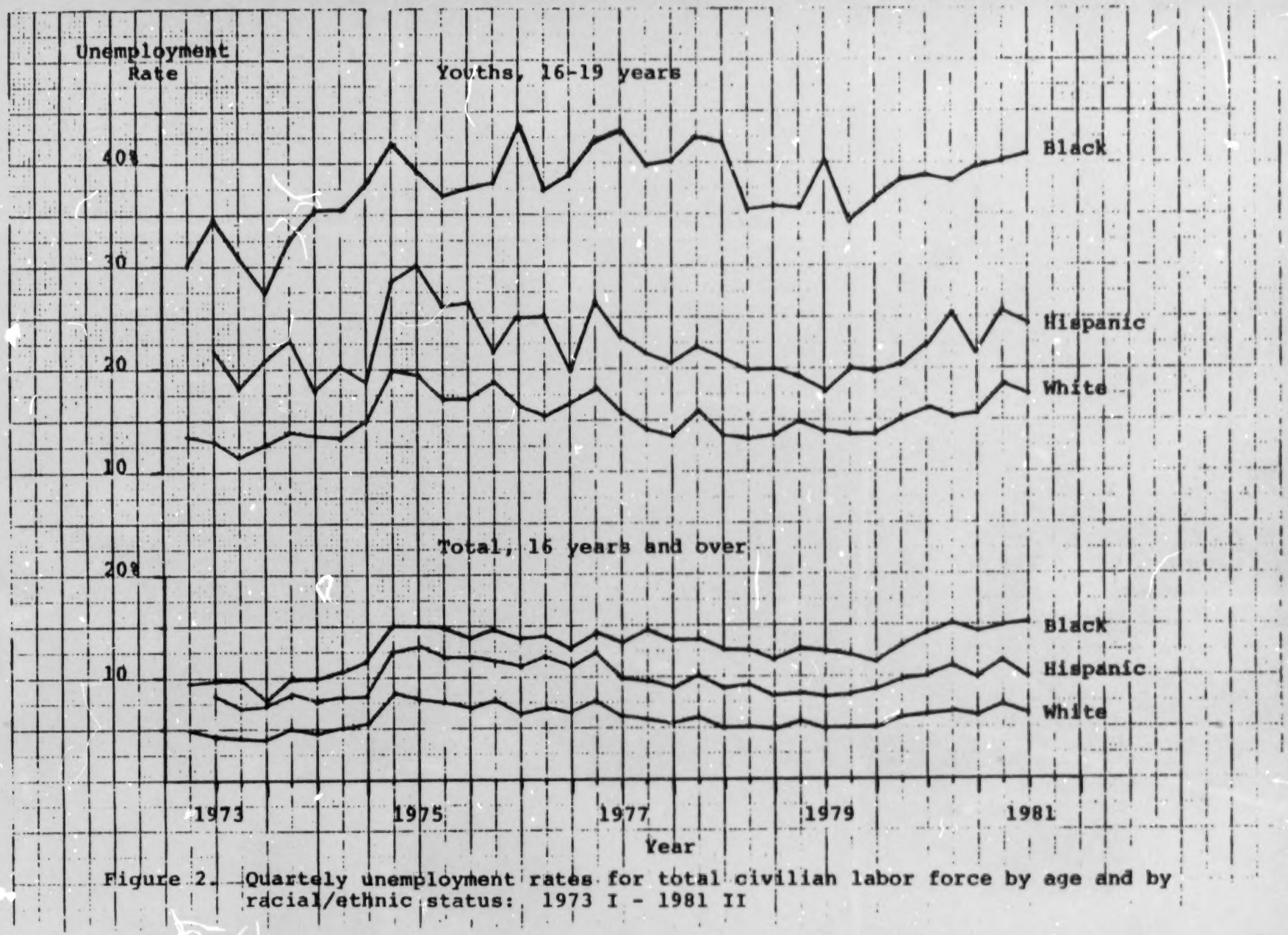

Figure 2. Quartely unemployment rates for total civilian labor force by age and by racial/ethnic status: 1973 I - 1981 II

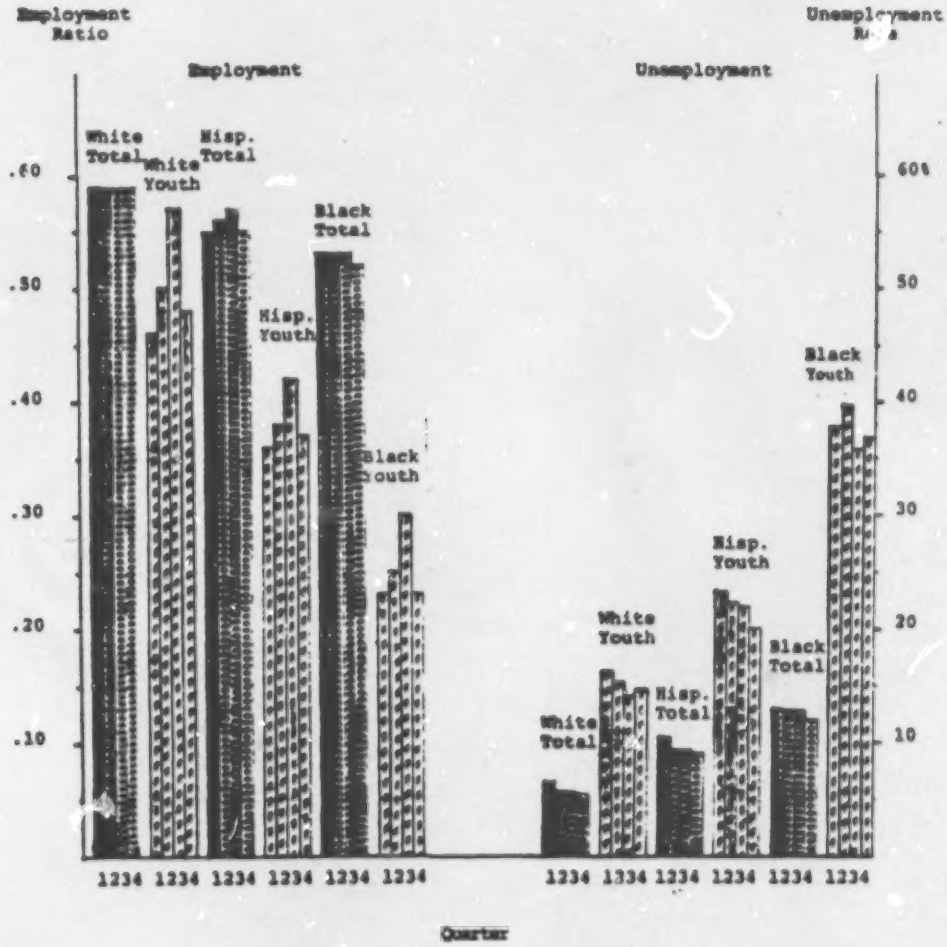

Figure 3. Seasonal employment and unemployment averages by racial/ethnic status and age: 1973 II - 1981 II

BEST COPY AVAILABLE

TABLE 1

ANNUAL AVERAGE EMPLOYMENT AND UNEMPLOYMENT RATES FOR WHITES, HISPANICS, AND BLACKS BY AGE: 1973 - 1980

Year	White (W)	Hispanic (H)	Black (B)	H/W	B/W
		Employment Ratios, 16-19 years			
1980	.51	.39	.24	.76	.47
1979	.53	.41	.25	.77	.47
1978	.52	.40	.25	.77	.48
1977	.50	.37	.22	.74	.44
1976	.48	.36	.22	.75	.45
1975	.46	.37	.27	.80	.58
1974	.51	.41	.29	.76	.57
1973	.50	.38	.30	.77	.60
Mean	.50	.38	.23		
		Employment Ratios, 16 years and over			
1980	.60	.56	.52	.93	.87
1979	.60	.58	.54	.96	.90
1978	.60	.57	.54	.95	.90
1977	.58	.55	.51	.95	.88
1976	.58	.53	.51	.91	.88
1975	.57	.53	.50	.93	.88
1974	.59	.57	.55	.97	.93
1973	.59	.57	.56	.97	.95
Mean	.57	.56	.53		
		Unemployment Rates, 16-19 years			
1980	15.5%	22.4%	38.6%	1.4	2.5
1979	14.0	19.1	36.6	1.4	2.6
1978	14.0	20.7	38.9	1.5	2.8
1977	15.0	22.8	41.2	1.5	2.7
1976	16.9	22.8	37.1	1.3	2.2
1975	17.9	27.7	39.4	1.5	2.2
1974	14.0	19.8	34.9	1.4	2.5
1973	12.6	19.9	31.4	1.6	2.5
Mean	15.7	22.2	37.6		

(Table 1 Continued)

Year	White (W)	Hispanic (H)	Black (B)	H/W	B/W
	Unemployment Rates, 16 years and over				
1980	6.3%	10.1%	14.2%	1.6	2.3
1979	5.1	8.3	12.2	1.6	2.4
1978	5.2	9.1	12.6	1.8	2.4
1977	6.3	10.1	13.9	1.6	2.2
1976	7.0	11.5	13.1	1.6	1.9
1975	7.8	12.2	14.7	1.6	1.9
1974	5.0	8.1	10.5	1.6	2.1
1973	4.3	7.5	9.3	1.7	2.1
Mean	5.7	9.7	12.4		

TABLE 2

YOUTH EMPLOYMENT AND UNEMPLOYMENT RATES FOR WHITES, HISPANICS, AND BLACKS EXPRESSED AS RATIOS OF THEIR RESPECTIVE TOTAL GROUP RATES

Year	White	Hispanic	Black
		Employed	
1980	0.85	0.70	0.46
1979	0.88	0.70	0.46
1978	0.87	0.70	0.43
1977	0.86	0.67	0.43
1976	0.83	0.68	0.54
1975	0.81	0.70	0.53
1974	0.86	0.72	0.54
1973	0.85	0.67	0.54
		Unemployed	
1980	2.5	2.2	2.7
1979	2.7	2.3	3.0
1978	2.7	2.3	3.1
1977	2.4	2.3	3.0
1976	2.4	2.0	2.8
1975	2.3	2.3	2.7
1974	2.8	2.4	3.3
1973	2.9	2.7	3.4

TABLE 3

CHANGES IN QUARTERLY UNEMPLOYMENT RATES FROM BUSINESS CYCLE PEAKS-TO-TROUGHS BY AGE FOR WHITES, HISPANICS, AND BLACKS: 1973 IV - 1981 I

Business Cycle	Youth, 16 - 19 years					Total, 16 years and over				
	White	Hispanic	Black	Hispanic White Change Ratio†	Black White Change Ratio	White	Hispanic	Black	Hispanic White Change Ratio†	Black White Change Ratio
Peak:										
1973 IV	12.5%	20.8%	27.7%			4.0%	7.3%	7.9%		
Trough:										
1975 II	19.4	30.0	39.0			8.0	12.9	15.1		
Period Change	5.9	10.8	13.7	1.8	2.3	4.0	5.6	7.2	1.4	1.8
Trough:										
1975 II	18.4	39.0	39.0			8.0	12.9	15.1		
Peak:										
1978 II	13.5	21.0	41.9			5.0	8.9	12.1		
Period Change	-4.9	-9.0	2.9	1.8	-0.6	-3.0	-4.0	-3.0	1.3	1.9
Peak:										
1980 I	15.1	20.3	38.5			6.0	9.6	13.0		
Trough:										
1981 I	18.3	25.5	40.2			7.2	11.6	14.8		
Period Change	3.2	5.2	1.7	1.6	0.5	1.2	2.0	1.8	1.7	1.5

†Computed as follows: $(H_{i+1} - H_i) / (W_{i+1} - W_i)$

TABLE 4

CHANGES IN QUARTERLY EMPLOYMENT RATIOS FROM BUSINESS CYCLE PEAKS-TO-TROUGHS BY AGE FOR WHITES, HISPANICS, AND BLACKS: 1973 IV - 1981 I

Business Cycle	Youths, 16-19 years					Total, 16 years and over				
	White	Hispanic	Black	Hispanic White Change Ratio†	Black White Change Ratio	White	Hispanic	Black	Hispanic White Change Ratio†	Black White Change Ratio
Peak:										
1973 IV	.48	.37	.26			.59	.56	.56		
Trough:										
1975 II	.47	.32	.24			.57	.53	.50		
Period Change	-.01	-.05	-.02	5.0	2.0	-.02	-.03	-.06	1.5	2.9
Trough:										
1975 II	.47	.32	.24			.57	.53	.59		
Peak:										
1978 II	.53	.39	.24			.60	.57	.54		
Period Change	.06	.07	.00	1.2	0.0	.03	.04	.04	1.3	1.3
Peak:										
1980 I	.48	.38	.21			.60	.56	.52		:
Trough:										
1981 I	.45	.34	.20			.59	.56	.51		:
Period Change	-.03	-.04	-.01	1.3	0.3	-.01	-.02	-.01	2.0	1.0

†Computed as follows: $(H_{i+1} - H_i) / (W_{i+1} - W_i)$

TABLE 5

SELECTED YOUTH UNEMPLOYMENT RATES FOR WHITES, HISPANICS, AND BLACKS BY SEX: 1978 - 1981

Sex and Year	White (W)	Hispanic (H)	Black (B)	H/W	B/W
Males					
1981	17.5%	23.5%	40.5%	1.3	2.3
1980	16.2	21.5	37.4	1.3	2.3
1979	13.9	17.3	34.2	1.2	2.4
1978	13.5	19.6	36.9	1.4	2.7
Females					
1981	16.5%	25.1%	40.4%	1.5	2.4
1980	14.7	23.6	39.9	1.6	2.7
1979	13.9	21.3	39.0	1.5	2.8
1978	14.3	22.1	41.4	1.5	2.9

TABLE 7

FREQUENCIES AND PERCENTAGES OF 16-19 YEAR OLD YOUTHS NOT ENROLLED IN SCHOOL BY RACIAL/ETHNIC STATUS: OCTOBER 1972-1979

(Numbers in thousands)

	1972	1977	1979
White			
Total, 16-19	(4199)	(4596)	(4672)
Percent of Population	31.4%	32.8%	33.4%
16-17, Percent not enrolled	11.1	11.5	11.0
18-19, Percent not enrolled	53.4	54.5	55.5
Hispanic			
Total, N	(293)	(391)	(391)
Percent of Population	35.6%	37.8%	39.4%
16-17, Percent not enrolled	16.1	16.4	20.5
18-19, Percent not enrolled	58.6	59.4	60.1
Black			
Total N	(660)	(661)	(678)
Percent of Population	32.4%	29.5%	30.5%
16-17, Percent not enrolled	10.5	9.2	9.2
18-19, Percent not enrolled	57.2	51.7	53.4

TABLE 8

EMPLOYMENT RATIOS AND UNEMPLOYMENT RATES OF PERSONS 16 TO 24 YEARS OLD BY SCHOOL ENROLLMENT AND RACIAL/ETHNIC STATUS: 1975-1980

	White		Hispanic		Black	
	1975	1980	1975	1980	1975	1980
Employment Ratio						
Total enrolled	.40	.44	.30	.34	.19	.19
High School	.36	.39	.20	.24	.12	.13
College	.43	.49	.45	.50	.31	.31
Total not Enrolled	.64	.73	.48	.63	.54	.50
Dropout	.49	.55	.41	.55	.33	.31
High School Graduates (no college)	.71	.79	.64	.73	.57	.60
Unemployment Rates						
Total Enrolled	14.0%	12.0%	18.9%	18.2%	27.6%	32.2%
High School	18.2	16.7	29.8	23.9	35.6	40.6
College	10.0	7.9	8.7	12.8	21.0	23.9
Total not Enrolled	13.3	11.9	20.3	15.5	28.7	29.7
Dropout	22.8	21.7	24.2	17.4	38.1	44.1
High School Graduates (no college)	12.3	9.6	19.9	9.7	25.6	24.0

TABLE 9

SELECTED PROJECTIONS OF HISPANIC AND BLACK YOUTH LABOR FORCE UNDER THE ASSUMPTION THAT THEIR RATES OF EMPLOYMENT AND UNEMPLOYMENT WERE THE SAME AS WHITE YOUTHS: 1973 IV - 1981 I

(numbers in thousands)

Year and Quarter	Number of Employed			Number of Unemployed			Expected net increase in employed entrants to the labor force†
	Expected	Observed	Difference	Expected	Observed	Difference	
1973 IV							
Hispanic	399	304	95	48	80	- 32	63
Black	1104	607	497	105	233	-128	369
1975 II							
Hispanic	431	269	136	77	127	- 49	87
Black	1118	582	536	175	372	-196	340
1978 II							
Hispanic	563	410	153	70	109	- 39	114
Black	1187	526	661	122	380	-258	403
1980 I							
Hispanic	534	424	110	80	108	- 28	82
Black	1056	465	591	114	291	-177	414
1981 I							
Hispanic	508	385	123	94	136	- 42	81
Black	1106	424	552	139	305	-166	386

†This net increase is derived by subtracting the absolute value of the difference between the expected and observed number of unemployed from the corresponding difference in number of employed.

TABLE 10

SELECTED PROJECTIONS OF HISPANIC AND BLACK YOUTH LABOR FORCE UNDER THE ASSUMPTION THAT THEIR RATES OF EMPLOYMENT AND UNEMPLOYMENT WERE THE SAME AS WHITE YOUTHS RESIDING IN OFFICIALLY DESIGNATED POVERTY AREAS: 1973 IV - 1981 I

(Numbers in Thousands)

Year and Quarter	Number of Employed			Number of Unemployed			Expected net increase in employed entrants to the labor force‡
	Expected	Observed	Difference	Expected	Observed	Difference	
1973 IV							
Hispanic	380	304	76	58	80	- 22	54
Black	1052	607	445	127	233	-106	121
1975 II							
Hispanic	410	296	114	94	127	- 33	81
Black	1065	582	483	212	372	-160	323
1978 II							
Hispanic	536	410	126	84	109	- 25	101
Black	1131	526	605	148	380	-232	373
1980 I							
Hispanic	508	424	84	97	108	- 11	73
Black	1006	465	541	138	291	-153	388
1981 I							
Hispanic	484	385	99	114	136	- 22	77
Black	958	454	504	168	305	-137	367

†The estimate of the poverty area rates are derived from figures published in The Job Crisis of Black Youth (1971).

‡This net increase in derived by subtracting the absolute value of the difference between the expected and observed number of unemployed from the corresponding difference in number of emplcyed.